

SECOND REGULAR SESSION

HOUSE BILL NO. 2045

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES ROSS, LIESE,
LUETKEMEYER AND HARTZLER (Co-sponsors).

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TED WEDEL, Chief Clerk

4830L.011

AN ACT

To repeal section 143.081, RSMo, and to enact in lieu thereof one new section relating to income tax credit for income paid to another state.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 143.081, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.081, to read as follows:

143.081. 1. A resident individual, resident estate, and resident trust shall be allowed a credit against the tax otherwise due [under] **pursuant to** sections 143.005 to 143.998 for the amount of any income tax imposed [on him] for the taxable year by another state of the United States (or a political subdivision thereof) or the District of Columbia on income derived from sources therein and which is also subject to tax [under] **pursuant to** sections 143.005 to 143.998. Solely for purposes of this subsection, the phrase "income tax imposed" shall include any income tax credit allowed by such other state or the District of Columbia the basis for which is a charitable contribution which qualifies as a charitable deduction from income pursuant to the Internal Revenue Code of 1986, as amended if the other state or the District of Columbia authorizes a reciprocal benefit for residents of this state.

2. The credit provided [under] **pursuant to** this section shall not exceed an amount which bears the same ratio to the tax otherwise due [under] **pursuant to** sections 143.005 to 143.998 as the amount of the taxpayer's Missouri adjusted gross income derived from sources in the other taxing jurisdiction bears to [his] **the taxpayer's** Missouri adjusted gross income derived from all sources. In applying the limitation of the previous sentence to an estate or trust, Missouri taxable income shall be substituted for Missouri adjusted gross income. If the tax of

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 more than one other taxing jurisdiction is imposed on the same item of income, the credit shall
18 not exceed the limitation that would result if the taxes of all the other jurisdictions applicable to
19 the item were deemed to be of a single jurisdiction.

20 3. For the purposes of this section, in the case of an S corporation, each resident S
21 shareholder shall be considered to have paid a tax imposed on the shareholder in an amount
22 equal to the shareholder's pro rata share of any net income tax paid by the S corporation to a state
23 which does not measure the income of shareholders on an S corporation by reference to the
24 income of the S corporation or where a composite return and composite payments are made in
25 such state on behalf of the S shareholders by the S corporation.

26 **4. For purposes of subsection 3 of this section, in the case of an S corporation that**
27 **is a bank chartered by a state, the office of thrift supervision, or the comptroller of**
28 **currency, each Missouri resident S shareholder of such out of state bank shall qualify for**
29 **the shareholder's pro rata share of any net tax paid, including a bank franchise tax based**
30 **on the income of the bank, by such S corporation where bank payment of taxes are made**
31 **in such state on behalf of the S shareholders by the S bank to the extent of the tax paid.**